

Sustainability Report 2020

With 2019 summary





"You find paint everywhere – in classrooms, offices, restaurants, hotels, hospital wards, nurseries and in residents. We should care about what is on our walls and furniture, in the same way we care about what is in our food."

"In Hong Kong we find some of the most discriminating consumers in the world. Yet few of us ever stop to think what is in the paint products that surrounds us. We should care much more than we do."

*Joakim Cimmerbeck
eicó's founder*

eicó

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Vision

At eicó, we believe that genuine sustainability has no destination. Rather, it is a mindset that should permeate every strata and facet of the company. We are working continuously to improve all eicó operations, from raw material sourcing and manufacturing, through to final product delivery. We strive to measure ourselves against exacting environmental standards, which will lead us closer to true sustainability.

We understand that we have a duty to future generations to safeguard the environment, but we also work to ensure consumer demand and satisfaction are never compromised.

We are committed to delivering the best possible quality paint, while leaving minimal impact on the various environments in which we operate.

Products

- **Raw Materials**

eicó paint is comprised of a few main elements: pigments (colours); for example, Titanium Dioxide, which is a bright, white pigment. a binder for example latex or acrylic; and water. Also used are additives in certain paint products.

eicó uses and commits to continue to use only the best and safest quality raw materials available. The solvent is fresh renewable spring water and the pigments used are VOC free and organic or minerals (colour dependent).

eicó is committed to use no heavy metal or harmful substances in its products, we never added any Formaldehyde, APEO, NPEO, CIT, MI, Lead for example. We do not use any oil derivative rather we use plant-based acrylics and we are further researching and will soon implement food waste products. This is a big leap forward in our quest for total sustainability.

- **Chemicals**

Volatile Organic Compounds (VOCs) is a collective term for a wide range of chemicals released into the air when paint is manufactured and applied. **eicó paint has a very low or zero Volatile Organic Compound (VOC) level** and has benchmarked its paints against the levels set out by the European Union – one of the toughest standards globally. eicó paints have been specified for numerous hospital and school projects because it is APEO (Alkylphenol ethoxylates) and NEFO (Nonylophenol ethoxylates) free. APEO's and NEFO's are additives used in detergents and many paint products these are harmful to aquatic life and should not enter our water systems. They are also, like lead, endocrine disruptors. One of WHO's biggest concerns for children in Asia.

These additives have poor biodegradability and their toxicity (including that of their metabolites) will remain in our environment for generations.

- **Testing**

eicó goes further in its testing than is required by the EU. Whereas most paint companies either calculate or conduct internal tests to measure VOC, **eicó only use independent and accredited laboratories.** We test all our products every second year. We test our products in an accredited laboratory in China and Europe. Furthermore, these tests offer total integrity and credibility. We do not use our own environmentally related tests in any aspect of our PR or in any way to promote our products – i.e. published tests on eicó paints are all independent. We are also conducting practical tests of our and our competitors' products to learn more about the risks and to further work on improving paint and product advise.

Practices

- **Factories**

eicó paints are manufactured in Iceland and Sweden where no fossil fuel is used and the majority of the energy used in the factories comes from geothermal and hydro-power sources. This energy is clean, pure, renewable and free from pollution compared to traditional carbon-based energy.

Employees live locally, within commutable distance. We are actively promoting the use of non-fossil fuel transport or the use of public transport. Our factories are also “green audited”.

- **Shipping**

As Europe is a net importer from Asia the ships returning to Hong Kong are typically up to 90% empty. By using this unfilled space to export paint to Hong Kong, eicó is not adding to its carbon footprint. In addition, eicó tins are shaped in such a way as to maximise available storage space.

- **Purchasing**

Wherever it is possible, eicó commits to using office supply products that contain recycled content. All cleaning products are non-toxic and organic where available. eicó is committed to recycling all offices and other eicó facilities. Water used in the office and factories is strictly monitored to ensure no waste. Bottled water is not available to staff who are encouraged to freely use tap water. All low efficiency light bulbs have been replaced with energy-saving equivalents. Unnecessary travel is actively discouraged and public transport preferred. Use of air conditioning units/heating appliances strictly monitored.

Practices cont'd

- **Staff**

eicó pledges to treat all employees with the utmost respect and offer them an accident free and safe working environment. Competent and dedicated employees are the cornerstone for achieving and maintaining a quality oriented organisation. Such employees will be recognized and rewarded accordingly. All employees are expected to commit fully to the sustainability goals of eicó.

- **Community**

eicó seeks to be involved in programs and initiatives that aim to make a positive impact on the local community and the environment. We are involved with schools and other organisations targeting the young to teach about sustainability, recycling and all things environmental improving.

- **Consumers**

eicó wants to help customers work and live in a healthier environment. Choosing a safe and environmentally friendly paint product should be easy and accessible. To this end, eicó is committed to a marketing strategy that not only advertises its paint, but educates consumers and encourages them to be more discriminating about their environment. This is especially pertinent in Hong Kong. To achieve these goals, eicó must continue to be of the highest quality and good value for money.

2019 summary

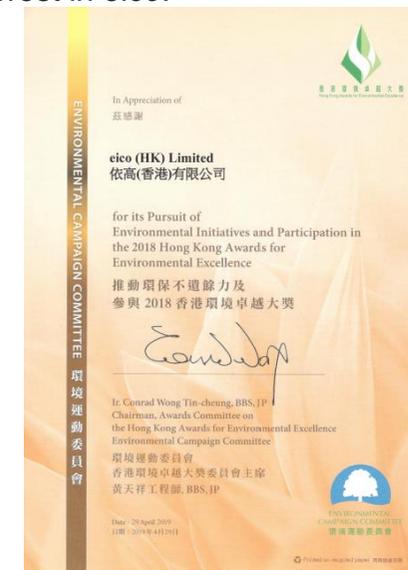
GOOD DEEDS

The last year, since the previous sustainability report, Hong Kong and then the world have experienced sever disruption in conducting everyday life.

Started second quarter of 2019 with the protests. Needless to say, all businesses and life in general came to a sudden halt during long periods. In eicó we are proud that we never did change our sustainability and eco ethos despite it at times lost us business and made it harder to conduct business.

We then had to deal with the global pandemic and the fallout from a virus that is still affecting life and business. We did not furlough any staff nor did we reduce any salaries, we did have to defer some payouts but we are now, by the end of June 2020 paid all staff in full.

Sustainability is not only how we conduct ourselves in good times. It is also how we react to adverse and difficult times. eicó did well. We have because of this or because of the fact that life slowly getting back to the new normal seen significant business increase. There are a larger number of people that cares and wants to avoid all the various poisons, we believe because of the pandemic, when possible. We continue to see and experience increased interest in eicó.



We continue to see a steady increase of commercial installations and commercial clients. eicó paints have been the chosen product for some major HK installations. This is in large parts due to our unyielding stance to sustainability and a very high service level. We are actively helping and sharing knowledge with the industry on matters sustainable. We also promote how we can with small changes make a significant long-term positive difference. This have had a significant impact on our order book and made our offering more attractive.

As our retail business grows (mainly by word of mouth) we realize that in regards to volume our core customer base are families with children. We are the product of choice for families who care about SAFETY. This message is fast spreading among this key customer base. Similar to previous year this hold true still.

The year that passed we again did participate and were invited to several sustainability events and received the awards and certifications that followed. We still see a significant number of market participants that use sustainability and eco as a pure one of marketing exercise. To these companies and institutions, we like to stress the following.

Sustainability can never be about profit. However, a company that is in fact sustainable should make a profit.

We also have continued with our commitment to remain as eco-friendly and sustainable as is possible when running a business. Using public transport and efficient car-pooling is a central tenet of this commitment. We have also introduced a hub delivering system where we further reduce the delivery occasions and locations. This is still not fully implemented and still need some fine tuning.

We continue to promote the upcycling of pre-owned furniture. We have updated several the past year both for clients and own “skip-finds”. Many of these are given a new lease of life and are once again treasured pieces in someone’s home.

We continue to work on a standard industry-wide data comparison tool. Too many paint suppliers are unchallenged on their eco-credentials. The unsavory fact is, any company can make any claims about their eco- standards and environmentally friendly commitments.

eicó is working to bring transparency to our industry and wants to enable clients to better make comparisons between product offerings. To this end, we have improved our credentials and simplified them visually. Our clients are in no doubt as to the makeup of our products, and the business practices we employ.

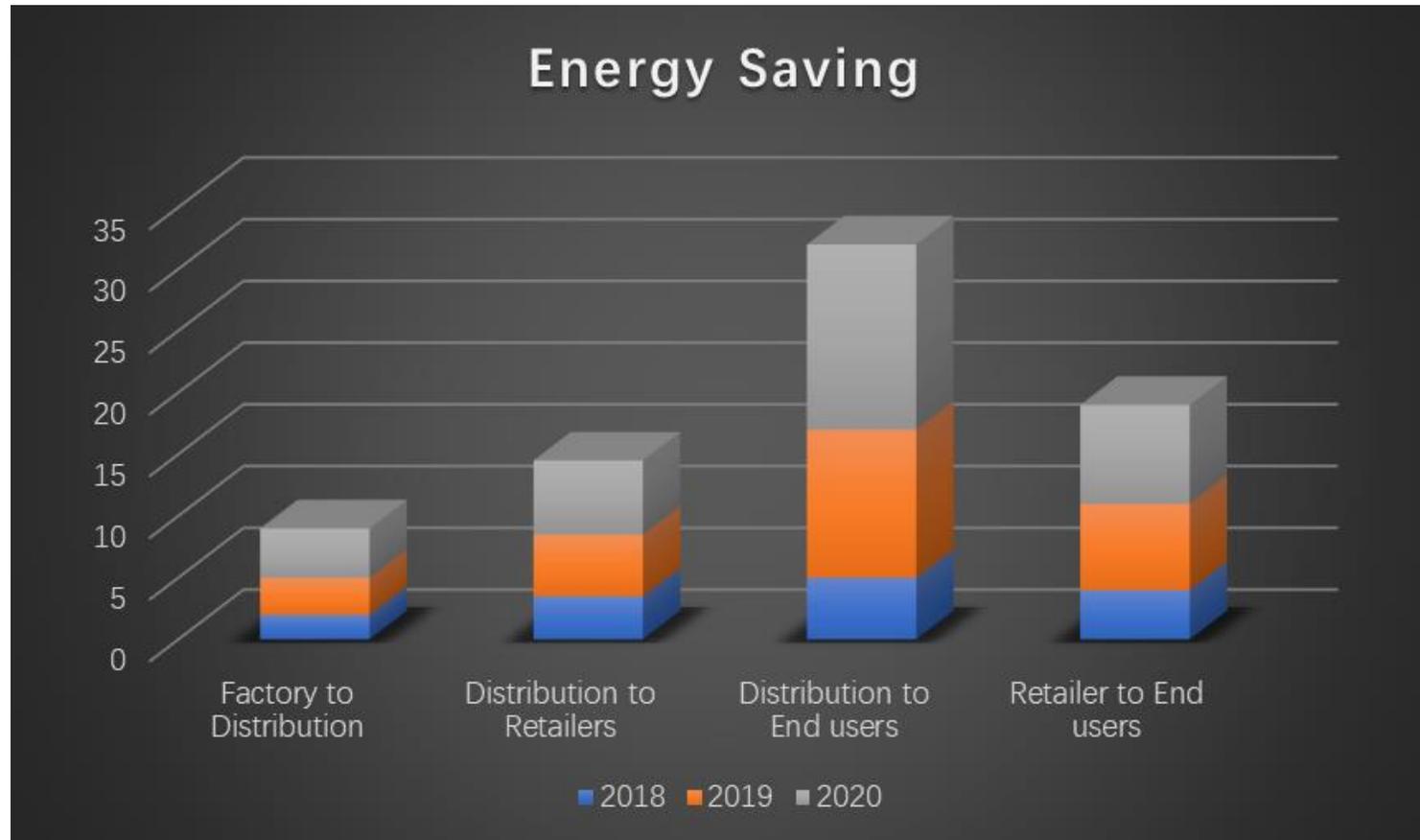
We are acting as advisors regarding sustainability and we are further increasing our eco presentations and have at the moment several companies that reach out to us asking us to present a more sustainable way in the construction industry.

We will continue to ask clients to return all their leftover paint. We will re distribute it for free to schools, artists and other that needs paint but cannot afford it. This is a scheme we like to further and we like to find ways to possibly collaborate with the bigger providers and maybe forget for once that we are competitors and do something good. A change for good.

Our first exclusive eicó store has opened. This will enable us to reach out to a larger client base and also enable us to become more of a household product and that will be beneficial for the long-term sustainability of Hong Kong. The more widespread

use of something truly sustainable will not only make usage more sustainable it will also force more product providers to improve their ethos and factual sustainability.

This year we have updated our MSDS for each product. This is a key document for import and export while also showing part of the dangerous or in our case the lack of dangerous products.



In this chart we can see that our energy savings (observable by products delivered versus delivery time and instances, more products delivered for the same amount of resources/energy) in transport at each stage of delivery, from production to end user, has become significantly more energy efficient. With large scale even a single percentage energy saving will be significant in absolute terms. This is achieved in part by the shorted distances for distribution to end users required thanks to more distribution centers. There are large benefits to improving and making more efficient the logistics of our company, as such we continue to do so in several ways.

We still need to improve

We continue to see several very keen, but few actually really mean to be sustainable or change their ways. This year with the events in mind we can possibly understand it a bit more than any other year. We need to work harder on these aspects, we need to reduce the marketing factor in sustainability while retaining the intention of sustainability. **Sustainability is not marketing. This is truer than ever. The numerous institutions and individuals that ride on the sustainability trend without adding anything is despicable and something we do not support in anyway. Lobbying for an all-encompassing organization that includes representation from all parts of society would be the “best” solution. Sustainability is not marketing, but it has and should have more business value.**

We still working on recycling here in Hong Kong. As a nation we are decades behind the levels of sustainable recycling that can and should already be implemented. As it stands, eicó is too small to make any lasting and significant impact. We are working to grow and become a more impactful company

HKSG (Hong Kong Sustainability Guild) remains the imaginative dream it was a few years ago. Finding people that actually care and wants to help has proven to be significantly harder than one could imagine. We are not giving up and continue to work towards a goal for a HK wide Guild that will be working towards a sustainable Hong Kong.

Certification, such as LEAD and BEAM, is still an issue for us. We understand that it is in part needed in order for the industry to compare offerings, however eicó is a company committed to transparency, and all too often certification schemes obfuscate, over complicate and do not add to the goal of educating the consumer on product sustainability. We still try to avoid commercially based certifications. We promote the use of test reports and more topical certifications

2020 GOALS

We continue to work on recycling. This includes, but not limited to, company material we use, paint return schemes and furniture up-cycling.

Work with environmental schemes here in Hong Kong for a better market penetration.

We need to prove that our stand towards sustainability will still enable us to make it as a company. With that success we hope that established companies dare to implement real changes.

During the past year we got new certifications this needs to continue into the new year. With more recognition we will see more attraction towards true sustainability.

Get the HKSG, Hong Kong Sustainability Guild established. Team up with companies that share our vision to become greener, healthier, more efficient and less harmful to our environment.

More media attention for all things sustainable and promote the effort of “Doing the right thing”

Long-term sustainability Goals

100% Transparency

eicó wants to be instrumental in changing the way paint and paint products are marketed and how they can be classified as 'eco-friendly'. To this end, we want to find a collaborator to create an independent publication, a full report on all aspects of paints and paint products which will enable the end user to compare effectively one product against another. The setting of the standard that all providers can choose to be part of or not. Today's market standard is fragmented and a lot is based on mathematically calculated "one-time tests" or in-house testing that won't compare to a third-party independent test. Furthermore, calculated or inhouse testing are normally never disclosed unless the results are favourable. Testing and standard should be transparent and a tool for the client to choose the products that is right for them.

Greenhouse Gas Emissions

eicó are already carbon neutral in our production facilities. We also actively encourage staff and all stakeholders in eicó to participate in schemes that further help the reduction of GGE.

100% tin recycling

All eicó tins are 100% recyclable. We are constantly seeking a company in Hong Kong who can recycle these tins to avoid them ending up in landfill. To date, no such company exists here but, eicó has made it a goal to find a solution. We only provide our products in metallic tins as they will degrade as oppose to the in the decorative industry frequently used less expensive plastic tins

Outside contractors

eicó is aware that there still exists a culture in Hong Kong where short term gain is more important than any other aspect of business. It is our goal to have our own team who will be well-versed in the eicó culture and committed to carrying out work in the most sustainable way possible. It is also our intention to work only with companies that share our commitment and ambitions in becoming eco-smarter and environmentally aware, and have the products and services to match.

Independent Accreditation

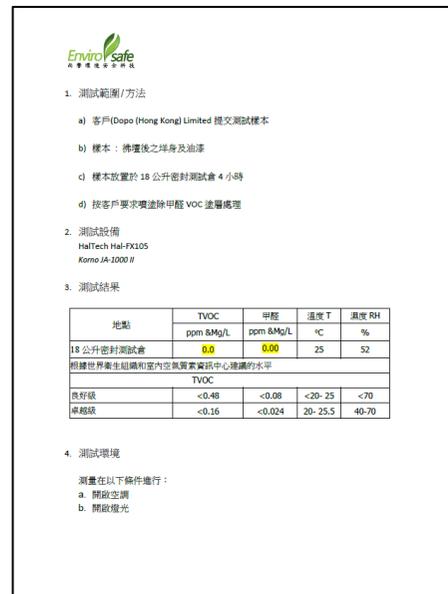
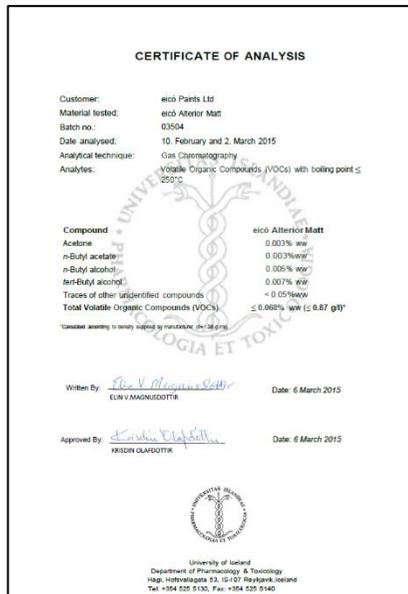
eicó's interior wall and ceiling paints (where applicable) proudly bear the Ecolabel. To qualify for the Ecolabel, eicó had to comply with a tough set of criteria laid out by a panel of European experts and stakeholders, including consumer organisations and industry insiders. The paint's entire product life cycle was taken into account – from the extraction of the raw materials to production, packaging and transport.

eicó's manufacturing (Sweden) quality policy conforms to the environmental system standard ISO 14001 and the quality standard of ISO 9001

Iceland has Green Book-keeping Audit approval. This Audit is looking at all aspects of process and usage with the environment in mind

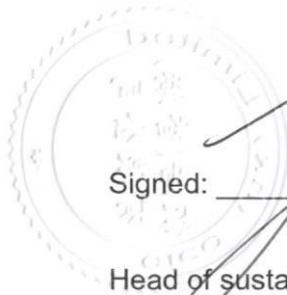
All our full disclosure testing is conducted by Iceland University

Testing results from China and European accredited laboratory



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Signed: _____

Head of sustainability, eicó HK Limited

Date: _____

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